



Ministry of Environmental
Protection and Regional
Development
Republic of Latvia



BRESE
Interreg Europe



European Union
European Regional
Development Fund

BRESE – Border Regions in Europe for Social Entrepreneurship

ACTION PLAN

**Ministry of Environmental Protection and Regional Development of
the Republic of Latvia**

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PART I – GENERAL INFORMATION

PROJECT:	BRESE – Border Regions in Europe for Social Entrepreneurship
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COUNTRY:	Latvia
NUTS2 REGION:	Latvija
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PART II – POLICY CONTEXT

THE ACTION PLAN AIMS TO IMPACT:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

NAME OF THE POLICY INSTRUMENT ADDRESSED:

Interreg V-A Latvia – Lithuania Cross Border Cooperation Programme 2014-2020

The Ministry of Environmental Protection and Regional Development of the Republic of Latvia (hereinafter – Ministry) is responsible for implementing policy in three areas - environment protection, regional development as well as digital transformation.

In the area of environmental protection, the Ministry deals with the establishment of prerequisites and conditions for nature conservation and clean environment, including various aspects of climate change mitigation. It also ensures that natural resources are used effectively and in a sustainable manner.

In the area of regional development, the Ministry implements and evaluates regional policy at a state level, provides methodological guidelines and supervises the territorial development planning process, as well as ensures the development and supervision of local governments with overall goal to achieve well-balanced and sustainable development of the country.

Implementation and coordination of the e-Governance is another broad policy area of the Ministry. It includes establishment of one-stop principle for provision of state and local government services and implementation of modern and effective information and communication technologies in the public sector.

With regards to European Territorial Cooperation programmes in Latvia, the Ministry is responsible for the implementation and administration of these programmes in Latvia. Ministry's Development Instruments Department hosts the Managing Authority and the Joint Secretariat of the Interreg V-A Latvia – Lithuania Cross Border Cooperation Programme 2014-2020 (hereinafter – Programme) – a policy instrument aimed at contributing to sustainable and cohesive socio-economic development of the Programme regions by

helping to make them more competitive and attractive for living, working and visiting. This is achieved through four priority areas:

- Sustainable and clean environment through cooperation,
- Support to labour mobility and employment,
- Social inclusion as a precondition to territorial development,
- Improved quality of living through efficient public services and administration.

National, regional and local public authorities as well as public equivalent bodies and NGOs can apply for the Programme funding in cross border partnerships. The eligible Programme territories are Klaipėda, Telšiai, Šiauliai, Penevėžys, Utena and Kaunas counties in Lithuania and Kurzeme, Zemgale, Latgale regions in Latvia. The total Programme co-financing from the European Regional Development Fund amounts to EUR 66.323 million and is provided to projects contributing to the Programme objectives.

The Programme is implemented in a period of several years in a real-life environment. The successful implementation inevitably demands an assessment and improvement of the existing measures to tackle the Programme's problematics in a more result-oriented manner. One of the current Programme's priority fields is social inclusion. As studies show, number of persons living at risk of poverty or social exclusion in both countries (Latvia and Lithuania) have remained relatively high, therefore it was necessary to evaluate existing measures and find new ways of tackling the issue. Social enterprises as a new form of entrepreneurship present an innovative way to both stimulate economic development and promote social inclusion, hence, the Ministry's Development Instruments Department has engaged in participating in the Interreg Europe project "Border Regions in Europe for Social Entrepreneurship (hereinafter referred to as BRESE or Project)", which aims to deconstruct barriers, raise awareness and improve business support schemes for social enterprises.

PART III – DETAILS OF THE ACTIONS ENVISAGED

ACTION 1

1. **BACKGROUND** *(please describe the lessons learnt from the project that constitute the basis for the development of the Action plan)*

1.1 Regional analysis on the state of social entrepreneurship in the Programme area (Lesson 1)

As part of the first phase of interregional learning process and experience exchange within the BRESE project, regional analysis on the state of social entrepreneurship in the Programme area was conducted by external experts from Ltd Safege Baltija, and these conclusions are drawn from the regional analysis and considered in this Action plan:

- Social entrepreneurship field in the Programme area is rather new since most activities have developed significantly in the past few years.
- There is a need for non-financial support for brainstorming, hackathons, mentoring or other activities that facilitate the development of new ideas of the social entrepreneurship.
- There is a great need to strengthen overall business mindset of social enterprises and their specific business skills, e.g., marketing, e-commerce, sales and attraction of new customer segments, internationalisation and exports.
- The main factors promoting the development of social entrepreneurship are legal awareness of social enterprises and the change in the way of thinking about the value systems and needs in society. However, the lack of knowledge and information on the nature, social value and impact created by social enterprises limits their growth.
- The scale-up social enterprises (operating more than 3 years) need the non-financial support regarding the growth strategies, attraction of funding and expansion of the business model in the form of mentoring, coaching and consultations.
- During the launching activities of new Latvia - Lithuania Programme could attract various social entrepreneurship stakeholders that may act as knowledge ambassadors and provide information and inspiration to the existing and potential project applicants regarding social entrepreneurship field.
- The cross-border cooperation can be considered as an added value for development potential of the social entrepreneurship field, and further support should be provided, inter alia, through the Latvia-Lithuania cross border cooperation programme.

Specific recommendations from the regional analysis that were suggested for the new Latvia-Lithuania cross border cooperation programme 2021-2027 (hereinafter – Programme 2021-2027):

- Increase of the overall understanding about the social entrepreneurship, the nature and impact of social entrepreneurs.
- Networking, exchange of experience and good practice of various stakeholders in the field of social entrepreneurship.
- Education activities for local and regional public authorities about social entrepreneurship and possibilities of support of social entrepreneurs.
- Strengthen the cooperation of Associations of Social Entrepreneurs of both countries and encourage them for cross-border incentives that promote the development of the social entrepreneurship field in Latvia – Lithuania programme region.
- Creation of cross-border platform or social entrepreneurship support points that encourage development of new social business ideas, provides access to non-financial support (mentoring, coaching, consultations) for establishment or scale-up of social enterprises.
- Support cooperation among research institutions and researchers in order to develop cross border cooperation practices and case studies about social entrepreneurship, social impact and existing gaps or opportunities for the development of social business ideas in the Programme area.
- Support activities of NGOs that develop the cross-border solutions for common social problems that are not solved by the public sector or require multi-stakeholder cooperation or involvement.

As mentioned before, the objective of the Programme is to contribute to the sustainable and cohesive socio-economic development of the Programme regions by helping to make them competitive and attractive for living, working and visiting. While none of the priorities or specific objectives are aimed to supporting social enterprises, theoretically, Programme’s thematic scope (in particular, its Priorities “Social inclusion as a precondition to territorial development” and “Support to labour mobility and employment”) is relevant for providing indirect support to social entrepreneurs¹, as they face the need to attract employees with relevant skills and qualifications. Social enterprises often work with social risk groups, therefore support in improving the skills of employees is particularly relevant.

¹ Programme does not allow SMEs as project beneficiaries, thus majority of social enterprises do not qualify for becoming project partners. However, NGOs, for example associations representing social enterprises interests could implement projects relevant for development/ promotion of social enterprises in different directions.

However, regional analysis also discovered that neither umbrella organisations of social entrepreneurship field (NGOs representing interests of social enterprises) or social enterprises themselves do not acknowledge the Programme as a potential support instrument for the development of their capacity and activities in the field.

1.2 Top-down approach for facilitating of social entrepreneurship development in the region (Lesson 2)

In November 2019 the Project kick-off meeting was held in Kleve, Germany, hosted by the Lead partner “Euregio Rhein-Waal” where the interregional learning process for the Ministry began. The Ministry saw the first great example of close cross-border cooperation between stakeholders who had or might have impact on development of social entrepreneurship in border region of Germany and the Netherlands within the INTERREG V A programme Germany-Netherlands, a policy instrument very similar to the Programme. Lead partner already had established a strong circle of stakeholders from both countries related to field of social entrepreneurship and its development in the region – representatives from national or regional networks, public administration, Chamber of Commerce, regional consulting organisations and NGOs. The Ministry saw the big interest of the various actors in the experience of the other Member State and in the development of cooperation. Following this example, on 21 January 2020 the Ministry organised its first Local Stakeholder Group meeting, where the focus was on the meeting round of the organisations represented, and on trying to find possible points for the common interest (namely, to improve social entrepreneurship field in the Latvia-Lithuania cross border region). It was concluded that the interest in one another, the exchange of experience as well as possible cooperation, is high, since regulation of social enterprises and social entrepreneurship in both countries is different and the institutions responsible for the field are different and therefore such cooperation (for example, cooperation between ministries responsible for the social sector) has not been created before.

1.3 Support for the development of social entrepreneurship in regions (Lesson 3)

The Ministry also learned that in the Dutch-German border region individual contact points, co-working facilities and hubs for social enterprises as well as incubators and accelerators for people interested in setting up their own businesses already exists, and they are well developed. Within the framework of these advisory and support services, knowledge is transferred and exchanged, and important networks are formed that are conducive to the establishment and development of social enterprises in the region. However, it was also noticed that cross border cooperation between these networks and organisations established on both sides of border is very weak and should be developed and intensified.

The Ministry sees potential to transfer this good practice also to our region, namely bringing together social entrepreneurship related stakeholders within the BRESE project could be used by the Programme which could serve as a platform for the development of such networks in both countries (in Latvia and Lithuania). Through joint cross-border projects it might be possible to facilitate synergy with capacity building activities which would contribute to social enterprises as final beneficiaries.

2. ACTION *(please list and describe the actions to be implemented)*

Improvement of the policy instrument addressed regarding the development of social entrepreneurship in the new Programme 2021-2027.

Phase 1

Complementing the new policy instrument – Programme 2021-2027 with reference allowing recognise support to development of social entrepreneurship eco-system as one of support directions.

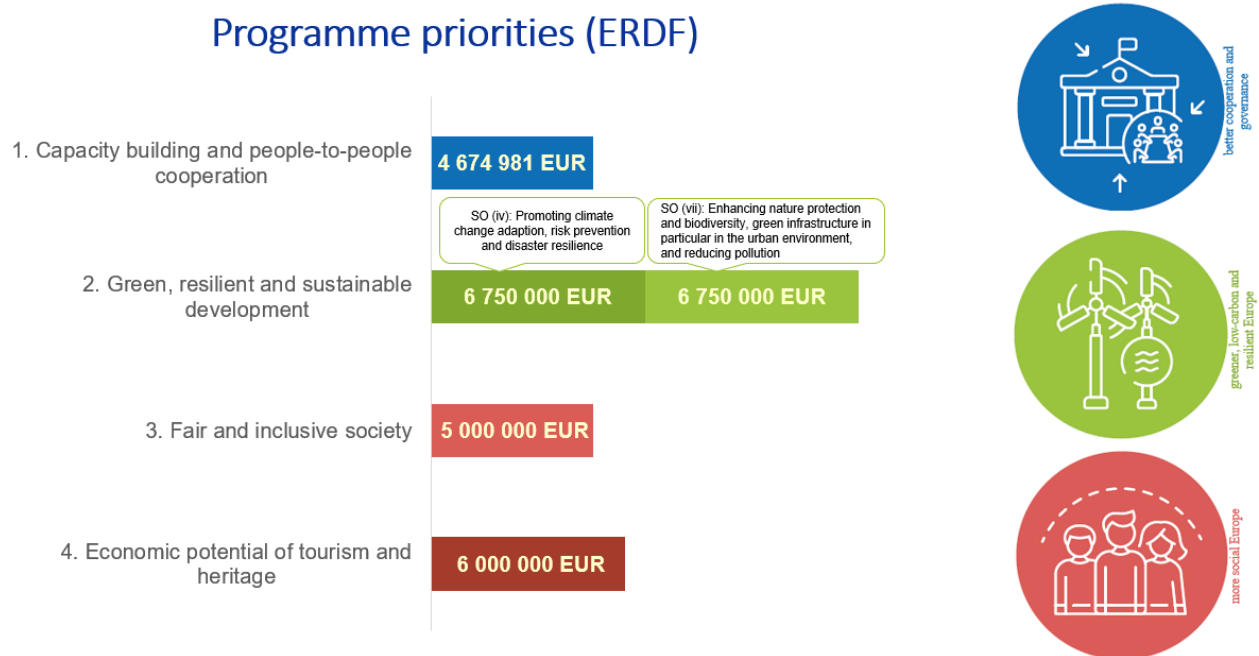
All Programme's funding is contracted, and its active implementation phase is close to completion, therefore, the Action plan is aimed at the new Programme 2021-2027, specifically to promote the Programme 2021-2027 and its new direction of support regarding the development of social entrepreneurship eco-system to potential applicants in phase 2 of the Project. The Action plan is the main Ministry's Project document which draws up a further course of action by learning from and integrating conclusions from the activities carried out during the Project. The Action plan is prepared based on the findings of the regional analysis "State of play of the social entrepreneurship sector: Report of the Interreg V-A Latvia-Lithuania Cross Border Cooperation Programme Region", the Project activities, the identified good practice examples implemented by other Project partners, and consultations with relevant stakeholders.

The new Programme 2021-2027 is built upon the achievements of the previous one, e.g., it will continue to support socioeconomic integration of marginalised communities, disadvantaged groups. Together with stakeholders a new intervention logic of the Programme 2021-2027 was discussed, and as a result, among others, "Fair and inclusive society" has been included in the Programme 2021-2027 as one of the priorities which would have potential to be impacted by the Action plan.

The new Programme 2021-2027 is aimed at promoting cooperation between citizens and improving public services, building a socially inclusive society, tapping into economic potential of tourism and cultural and natural heritage, and promoting the green, lasting and

sustainable development of the programme's territory, both by protecting biodiversity and by seeking common solutions to adapt to climate change and addressing the risks of disasters and floods. The new Programme 2021-2027 area covers the western and southern part of Latvia and northern part of Lithuania, and includes three Latvian regions: Kurzeme, Zemgale, Latgale and five Lithuanian regions: Klaipėda, Telšiai, Šiauliai, Panevėžys and Utena counties. The area covers the same NUTS 3 regions (with the exception of Kaunas County) as in the 2014-2020 programming period, thus ensuring coherence and continuity. The total budget of the Programme 2021-2027 is EUR 39.8 million, of which EUR 31.7 million is ERDF and EUR 8.1 million is national co-financing.

Within the new Programme 2021-2027 four important directions of support for regions have been identified (see Picture 1):



Picture 1. Programme 2021-2027 priorities

The Priority 3 “Fair and inclusive society” being a quite significant extend continuation of Priority “Social inclusion as a precondition to territorial development” of previous Programme was chosen to be improved with support from the BRESE project.

First, as described in the previous section, the regional analysis on the state of social entrepreneurship in the Programme area was conducted. The Ministry saw this exercise as

an immense contribution towards evaluating the policy instrument and learning to identify the major gaps for improvement while drafting the new Programme 2021-2027. Regional analysis highlighted the main recommendations on how lessons learned in the sector could be addressed within the framework of the current and the new programme.

From the beginning of the Project, the Ministry created the Local Stakeholder Group which initially included key stakeholders from Latvia and Lithuania – representatives of the Ministry itself, being Managing Authority and Latvian National Authority, Ministry of Welfare of Latvia, Lithuanian National Authority – Ministry of the Interior of Lithuania, Ministry of Social Security and Labour of Lithuania and Versli Lietuva/ Enterprise Lithuania. It is important to note that involvement of both National Authorities (which are key players in the Joint Programming Committee) in the composition of the Local Stakeholder Group was very efficient solution as it gradually promoted joint awareness on potential of social entrepreneurship in the framework of Programme 2021-2027 and integration of the results of the Project in programming process.

As result of successful timing of the Project, giving possibility to integrate its results in the programming process in real time of its implementation, four possible types of activities have been included in the Programme 2021-2027 under Priority 3 (see Picture 2):

Indicative activities under Priority 3



Features of Project:

- Max 0,5 MEUR
- At least 2 partners
(national, regional, local public authorities, public equivalent bodies and NGO's)

- Improvement of efficiency and diversification of **social services** by applying **evidence-based measures, new approaches, tools, methods, etc.**
- Development of **integrated services**, combining social, education and mental health elements, **aimed to integration of vulnerable groups**
- **Joint initiatives and awareness raising activities to facilitate development of social entrepreneurship eco-system**
- **Networking, training, exchange of experience**, sharing of good practices between the stakeholders involved in provision of social services

Picture 2. Indicative activities under Priority 3 of Programme 2021-2027

Also, the active first phase of the Project showed the importance of stakeholder engagement. Largely based on lessons learnt from the Lead partner and other partners since the start of the Project, the Ministry has extended its Local Stakeholder Group by

adding more social entrepreneurship related stakeholders as well as has diversified involvement of the group to bring more added value. On 2 March 2022 the 3rd (extended) Local Stakeholder Group meeting within the Project was organised where stakeholders met to contribute to a brainstorming discussion to share their ideas and proposals about possible more concrete indicative activities that could be supported under the new direction of support of the Programme 2021-2027. As several invited stakeholders would qualify as potential beneficiaries of the Programme 2021-2027, this local stakeholder group meeting was also an excellent first meeting point for them to get to know each other and to create possible future cooperation for joint projects. Participants included representatives from the Social Entrepreneurship Association of Latvia, Lithuanian Social Business Association, Kurzeme Planning Region, Latgale Planning Region, Zemgale Planning Region, Ministry of Welfare of Latvia, Ministry of the Economy and Innovation of Lithuania, Versli Lietuva/ Enterprise Lithuania, Latvian National Authority, Ministry of the Interior of Lithuania, Zemgale Business Support Centre, Luznava manor of Rezekne district municipality (ambassador of social entrepreneurship in the region), international non-profit organisation “Reach for Change Latvia” and NGO “Knowledge and Innovation Society” (ZINIS).

Phase 2:

Raising of awareness about improved policy instrument regarding social entrepreneurship and promotion of the new direction.

Indicative time for launch of the 1st Call for proposals within Programme 2021-2027 is scheduled for the fourth quarter of 2022. Regional analysis and stakeholders have indicated that players of social entrepreneurship field do not acknowledge the Programme as a potential support instrument for development of their capacity and activities in the field, therefore it is necessary to promote its new direction of support regarding the development of social entrepreneurship eco-system to potential project applicants that are eligible to receive financial support from the Programme 2021-2027. In the phase 2 of the BRESE project the Ministry plans to implement and monitor following activities:

- To continue organising Local Stakeholder Group meetings with relevant social entrepreneurship stakeholders both from Latvia and Lithuania.
- In consulting with Local Stakeholder Group and based on lessons learnt (e.g. regarding development of social entrepreneurship advisory and support networks in border regions) to develop in the Programme 2021-2027 manual more detailed activities relevant for development of social entrepreneurship eco-system.

- To promote the new Priority 3 “Fair and inclusive society” and particularly possibility to plan activities/ projects aimed at development of social entrepreneurship eco-system to potential applicants via following activities:
 - At new Programme’s 2021-2027 launch event (indicatively in the 4th quarter of 2022).
 - On new Programme’s 2021-2027 website.
 - During Programme’s 2021-2027 seminars and/ or webinars (for example, seminars for applicants, partner search events etc.).
- To share good practices of other Project BRESE partners (specifically cross-border social entrepreneurship projects) during Programme’s 2021-2027 launch event/ or seminars/ webinars to potential project applicants.

3. PLAYERS INVOLVED *(please indicate the organisations in the region who are involved in the development and implementation of the action and explain their role)*

Apart from the Ministry (Project partner and the host of Managing Authority and Joint Secretariat of the Programme, as well as Latvian National Authority) the following players were and would be involved in the development and implementation of the action:

- Ministry of the Interior of the Republic of Lithuania (as Lithuanian National Authority and leading institution in the Joint Programming Committee from Lithuanian side),
- Joint Programming Committee (Klaipėda Regional Council, Panevėžys Regional Council, Telšiai Regional Council, Šiauliai Regional Council, Utena Regional Council, Kurzeme Planning Region, Zemgale Planning Region, Latgale Planning Region),
- Key stakeholders from Latvia and Lithuania (Social Entrepreneurship Association of Latvia, Lithuanian Social Business Association, Kurzeme Planning Region, Latgale Planning Region, Zemgale Planning Region, Ministry of Welfare of Latvia, Ministry of the Economy and Innovation of Lithuania, Versli Lietuva/ Enterprise Lithuania, Latvian National Authority, Zemgale Business Support Centre, Luznava manor of Rezekne district municipality (ambassador of social entrepreneurship in the region), international non-profit organisation “Reach for Change Latvia” and NGO “Knowledge and Innovation Society” (ZINIS), Ministry of Social Security and Labour of Lithuania).

4. TIMEFRAME

Phase 1:

Complementing the new policy instrument – Programme 2021-2027 with reference allowing recognise support to development of social entrepreneurship eco-system as one of support directions.

Phase 2 (01.08.2022 - 31.07.2023):

During phase 2 the Ministry plans to raise awareness about improved policy instrument regarding social entrepreneurship and to promote the new Priority 3 “Fair and inclusive society” and particularly possibility to plan activities/ projects aimed at development of social entrepreneurship eco-system to potential applicants via following activities (based on the results and conclusions of regional analysis and specific recommendations that were suggested for the new Programme 2021-2027):

- At new Programme’s 2021-2027 launch event (indicatively in the 4th quarter of 2022).
- On new Programme’s 2021-2027 website.
- During Programme’s 2021-2027 seminars and/ or webinars (for instance, seminars for applicants, partner search events etc.).

5. COSTS *(if relevant)*

Costs cannot be determined at this time because there is no clear format and number of measures yet.

6. FUNDING SOURCES *(if relevant)*

Financing is available in technical assistance budget of the current Programme.



DATE: 9 June 2022

NAME: Sandis Cakuls

POSITION: Head of the Managing Authority of Interreg V-A Latvia-Lithuania Cross Border Cooperation Programme 2014-2020, Deputy State Secretary of the Ministry of Environmental Protection and Regional Development of the Republic of Latvia

SIGNATURE:



STAMP OF THE ORGANISATION:

